

MINUTES OF THE MEETING OF THE COOPERATIVE COUNCIL OF AUSTRALIA (INC)  
HELD IN THE BOARD ROOM, 4TH FLOOR, MASONIC CENTRE, 279 CASTLEREIGH  
STREET, SYDNEY, FRIDAY 6 FEBRUARY 1998

**PRESENT**

Jim Howard	(Chairman)
Tony Gill	Vic
John Booth	WA
Don Kinnersley	NSW
Ron Butler	NSW
Lui Raiteri	Qld
Chris Connors	Qld

**APOLOGIES**

Mr. David Osgood (SA)

Mr. Howard declared the meeting open at 1p.m.

It was noted that there had been a joint meeting with Registry Officials at 9a.m. that morning.

Mr. Howard asked if there was anyone who wanted to raise any matters now that they were separate from the Registry group in relation to the Legislation and/or this morning's joint meeting.

Mr. Butler said it appeared everything was back on track. Mr. Howard agreed that he believed that to be the case. It appears that the other state registries that were in conflict with New South Wales legislation have now accepted most of the situation; obviously the CCU's is another issue. In general they have taken everything on board and it appears to be on track again. Mr. Howard said that it was hopeful his message got through that we actually want Subordinated Debt to go as far as to include a CCU's style of unit without being regarded as share capital. The Registry Group seemed to be accepting of that.

Mr. Kinnersley made reference to his comment on CCU's in the area of distribution of profit and that it depends on the terms of reference and how you structure it. Nobody has explored enough of what you can and cannot do with CCU's.

Discussion occurred on the accounting practices taking into effect the use of CCU's.

Mr. Howard spoke on the two different classes of shares so that you have shares with voting rights and shares without. But you still have to be a member to get a share.

Mr. Booth was glad they took on board the CCU's on the basis they have because that is what WA has been pushing for so he was pleased on the matter. Mr. Booth went on to say that it would be very interesting to see their results of what is going to be allowed and not allowed. The majority on his list today was going to be allowed, but he was still skeptical that this would be the case.

Mr. Howard made comment that between yesterday and today we had obtained another 50% of our wish list.

9/10

Mr. Booth queried their reluctance to change the heading of trading and non trading. The Registry group agreed that it is foolish but their reason was the ASC looks upon it as Trading and Non Trading and they cannot change it. This is a weak excuse. They agreed with what was said but they still will not change it.

Mr. Connors was amazed that the Registry People were not aware we were looking for trading cooperatives without shares when it has been said for the past two years. The Registry People said it was never an issue when Mr. Connors argued it has been. Mr. Connors was of the opinion it was a simple enough solution and went on to explain his view to spend the money to get the Act reviewed and words written to say that you can have trading cooperatives with shares in that schedule. The schedule defines the section that you have to do something with, then it is simple enough to say Non Trading Cooperatives can have shares, or don't have to. The ones that don't have to we would have to take into account Schedule 6. Then get an opinion from Jenni Mattila and submit it back to them.

Tony Gill agreed with the above and said he believed it important to get the legal advice so they cannot dispute it.

Mr. Connors also commented on the fact that when you are going to do your Rules, if you don't take their Module Rules, then every Rule you don't adopt in their written form you have to write an explanation as to why.

Tony Gill made comment on the extension of Disclosure Statements to Non Trading Cooperatives and believed that it should not happen. Mr. Gill went on to say they have made all Cooperatives issue Disclosure Statements.

Mr. Howard replied that once the clause of Disclosure Statements of Trading and Non Trading Cooperatives is actually in there, if the Registry would be able to police it properly or (as with the Model Rules) say here is the standard, you will comply.

Mr. Kinnersley made comment that the NSW government is ensuring that Cooperatives are properly regulated.


Mr. Kinnersley was disappointed with the Registry Group in particular the WA Representative.

Mr. Howard said that now all that is needed is an agreement amongst the states this can happen.

Mr. Kinnersley is still disappointed with the situation with ACF. Mr. Kinnersley referred to the South Australian Registry Representative's statement that no NSW Cooperative would be allowed to have CCU's in South Australia.

Mr. Howard explained that they could be issued as subordinated debt and provided they are then within the control of the Securities Commission under Corporations Law and not administered by the Registry. They have an agreement that the Securities Commission is going to do the administration. South Australian Cooperatives can issue CCU's but the South Australian Registry is not going to administer it, it will be administered pursuant to the Corporation Law.

Mr. Kinnersley expressed his opinion that there was no philosophical thought about where we go from here. It was as if there was no long-term view. All the registry officers were new representatives and there was no depth present.



## **CONFIRMATION OF MINUTES**

Amendment to the minutes of the 12/11/97 to include

### **TRADE AND COMMERCIAL ACTIVITIES**

The Council believes that the Government should not be involved in these commercial and trade activities.

Mr. T. Gill moved

Mr. R. Butler seconded

"That the minutes of the previous meeting 12/11/97 as amended be received."

CARRIED

## **FINANCIAL STATEMENT**

Mr. Howard noted that there had been no transactions on the account and provided copies of statements as provided.

Mr. T. Gill moved

Mr. J. Booth seconded

"That the Financial Statement be accepted."

CARRIED

## **CORRESPONDENCE**

Copies of AUSTRALIAN FARM JOURNAL Articles  
(a monthly insert to the Financial Review)

Mr. Kinnersley made comment on the article written by Jim Mannering.

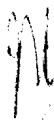
The overall thrust was very positive to Cooperatives, in particular the emphasis on there being a resurgence and a lot of inquiry about. A number of people talking about starting up Cooperatives and promoting the idea that Cooperatives are a viable alternative.

Mr. Gill said that we as an Industry have a role to ensure that if we get inquiries to make sure they are legitimate inquiries.

## **NATIONAL CONFERENCE**

Mr. Howard said that as we were not able to get the Victorian mailing labels in due time he had made a decision to delay the National Conference until June (possibly 1 - 3 June).

Draft Conference Programme was then discussed, the dilemma is that there has been no real reply from the Workshop Coordinators that we appointed in terms of the Interest groups. We have a reply back from Mr. Chris Connors (Taxation) to say that he was unable to be a Convenor. An approach was made to Mr. Bob Bell on Taxation but he also not able to be a Convenor.



Dr. Ron Swindells has also been approached to be a Convenor of the Industry and Processing as Mackay Sugar was keen as indicated by one of their Board Director to get some of the larger businesses and processors together to exchange ideas.

Mr. Ron Butler, Mr. John Booth, Mr. Don Kinnersley have verbally accepted the positions but not have replied in writing.

Cooperative Competition Policy and Cooperative Membership are not in the National Conference Programme only because the topics are not suitable for a National Conference.

Mr. David Griffiths from Victoria has accepted in writing to convene the Cooperative Image Group and is already being active.

Ms. Jill Jordan has accepted and requested that she be co-convenor with Anthony Esposito for the Cooperative Community & Development Interest Group, which was agreed to. Mr. Kinnersley queried that you would not get anybody from Community Cooperatives to go to the Canberra Conference.

Mr. Howard mooted that a revised budget figure of \$250 has been received from the Conference Organizer.

Mr. Gill said Housing Cooperatives was an issue to be considered.

Mr. Howard asked for agreement that the Cooperative Council was going to get behind the Conference or not. If there is not the support for actually flying the flag nationally, we are not going to raise the importance of Cooperatives. There is a real lack of understanding of Cooperatives in Canberra and at every point talking to people in recent times, they do not know what we are about and really it goes right across all industry and trade sectors.

Mr. Kinnersley said he was not being negative but the response from New South Wales in the past has been poor. He does not think we will get the response to a National Conference in batches. Mr. Ron Butler was positive that he would get the majority of his NSW Board to the National Conference.

Mr. Howard spoke on the positive response from North Queensland Tobacco Growers, Lex Starmer has said that he would get something from all the smaller cooperatives in the area and show Regional support. He made a suggestion that we get a representative from all the Regions where there are bigger Cooperatives to actually co-ordinate with the smaller cooperatives and individual members. We do not expect the little cooperative to put a lot of money into promoting Cooperatives but at least there is then something from all areas of Australia demonstrating a wide variety of cooperatives. You may get some of the small cooperatives to send someone along. He is also looking to get some of his Board along from Cairns.

Mr. Kinnersley spoke on the fact that there will be a Federal election this year. Mr. Howard replied he has had information that there will not be an election before June. Mr. Kinnersley asked if Cheryl Kernow could be a possible speaker and suggested that someone should contact her and talk with her because her brief for the Labor Party is all about community relationships. Mr. Howard has put Mr. Mark Latham down as a speaker and that he was impressed with him and in fact also with the local Labor Member in Mackay after a visit there. Mark Latham (then Shadow Assistant Treasurer) indicated that he saw Cooperatives as a way of kick starting the Australian economy and he was not only thinking from the point of view of community but also the resurgence of Section

120(1)(c) and the fact that the member in Mackay (Tim Mulherrin) had indicated how Mackay Sugar has grown from small beginnings. Mr. Kinnersley agreed that Mr. Mark Latham was a good choice for the Conference. Mr. Kinnersley suggested that Mr. Matthews would ensure that Mr. Mark Latham gets to the Conference.

Mr. Howard brought the meeting back to looking at the programme and the length of the programme for three days. Mr. Howard explained that the half day either side of the full day worked well in Queensland and how it saves on the Conference price.

Mr. Gill said he was happy with the Draft. He was exploring the possibility of getting a bus and get people to come in and make it easier.

Mr. Booth said other than networking with the Politicians there is not a lot in it for the Western Australian Cooperative scene. Mr. Howard said in fact it was how they see their own preservation.

Mr. Gill went on to say Supermarkets to Asia, Rural Assistance, Foreign Affairs and Trade that effects the fishing, dairying, and most of the agricultural cooperatives which you would think would come along from Western Australian and elsewhere.

The big Cooperatives need to come along because they need to be seen as improving the image of Cooperatives and opening up Government channels to them to assist their business interests. Do they want to be relevant to the Australian scene?

Mr. Gill emphasized that marketing of the Conference will be important with a whole new lot of Politicians in Canberra and the Council needs strength and numbers to come along and show once and for all a movement of substance. Mr. Howard agreed and emphasized the need for the Cooperative Council Board to push their Cooperatives generally.

Mr. Kinnersley said that there was no topic on Competition Policy. Mr. Ron Butler was the Convenor. It was suggested and agreed that the workshop should be longer than one hour.

Mr. Gill suggested going through the Programme.


Mr. Kinnersley said that there should be a spread of topics to cover agricultural, retail, taxis etc. Discussion centered on topics to attract non agricultural cooperatives. Mr. Kinnersley made a suggestion that the Conference could be solely a Rural Cooperatives Conference and to be attractive to one sector. Mr. Howard said he would like all sectors to think about image and information, taxation, and business and processing issues.

Mr. Howard said he felt we had to get a broad range and not to restrict any particular sectors to ensure that we open more doors by having a broader support base across industry boundaries.

Mr. Kinnersley said that maybe the programme could have parallel sessions.

Mr. Booth said Globalization of Cooperatives can be a general topic and would interest other sectors not just agricultural and Supermarket to Asia is topical. Parliamentary speakers are not only agricultural, and to also include the Democrats in the Programme.

Mr. Kinnersley said out of his ten suggestions he put forward to Mr. Howard, seven have been included in the programme in one form or another so he was happy.



Mr. Howard said he would take note and speak to Mr. Woodley the Democrats spokesman on tax.

Mr. Kinnersley raised the topic of "Effect of GST on Cooperatives".

Mr. Gill spoke on member education which might attract interest.

The Liberal Western Senator - Winston Crane (National Party) was suggested as a speaker. Mr. Booth suggested Darryl Williams from WA who is Attorney General as a speaker.

It was a general opinion that Mr. Howard and Mr. Costello will not participate and are anti-cooperative.

Mr. Kinnersley said the best from NSW would be 40, Western Australia 15, Victoria 30, South Australia 2, Queensland 40 making a total of 127 Cooperative Delegates for the National Conference plus other interested parties (academics and bureaucrats) making up say 150. This figure was over our breakeven point with considerable sponsorship from larger industry to cater for cost of politicians and key bureaucrats to the cocktail function.

Mr. Booth spoke on a group trying to form an asian pacific research centre and said that they would like to come along to our National Conference and be a speaker if possible. Mr. Booth did not give them a lot of credit.

Mr. Kinnersley said that on that topic, University Technology Sydney is trying to set up a cooperative research centre. No agreement was reached.

Discussion centered on the venue. Displays may be at the Cocktail Party at Parliament House. Mr. Howard spoke further on the idea that each region of each state be represented with some handouts showing how Cooperatives run over all of Australia.

Discussion on Sponsors was held. Corrs, Chambers Westgarth have approved \$10,000. Jordan Rigby has agreed to be approached as a sponsor, as well as the Grower Owned Sugar Mills. No response has been received from Rabo at this point of time and no approaches have yet been made to the Services lines. Discussion followed on whether we should approach Ricegrowers (Jim Kennedy) for sponsorship. Mr. Kinnersley said the Council should write and approach them for major sponsorship.

Mr. Gill suggested the credit union for sponsorship (Bert Harvey). Mr. Howard asked if the Wine People would supply the wine for the dinner, it was thought that this could be arranged.

It was suggested that Chris Greenwood (Coop Update) be invited as a guest to the Conference.

Mr. Kinnersley asked what is needed to make a decision on whether to go ahead with the Conference at this stage. Mr. Howard replied that we need the sponsorship money of \$50,000 as this was the figure in the budget.

Mr. Kinnersley said it was back in Mr. Howard's lap to work on.

Mr. Howard agreed; but asked for 100% support from all of the Cooperative Council Board.



Mr. Gill referred to the promotional side, brochures etc. suggesting ~~National Coop Update~~. There could be a special edition on the Conference to be used as an Official Publication for the Conference. One idea was a booklet with pages sponsored by different cooperatives, another idea of a flyer or brochure, or a third option could be to make National Coop Update the official publication in terms of conveying our message to people and have a special edition.

Mr. Kinnersley said he had confidence in Chris Greenwood but was not in favour of losing any sponsorship money.

Mr. Kinnersley spoke on the exposure the sponsors are expecting. Mr. Howard said that the sponsors will be getting full attention from Canberra inside Parliament House that otherwise they would not receive.

Mr. Gill asked again if we were going with Chris Greenwood. Mr. Howard would like a submission from Chris Greenwood. Hopefully a programme and a flyer to sell the cooperative movement.

Mr. Kinnersley said we should co-operate with Chris Greenwood as much as we can as long as it is in both our interests. He felt it necessary to send out an initial flyer, followed by a full programme with the registration, and then make telephone contact. The first flyer 2 months before and the full programme 1 month before.

Mr. Kinnersley said all Cooperatives needed to have to have the programme and registration before the end of April to make decisions at Board level in May.

Mr. Howard referred back to the Agenda.

### **RUSSIAN DELEGATION**

Cancelled the planned visit.

### **INTEREST GROUPS**

Mr. Howard said he spelt out the changes that he had made. He asked for the response from the other Board members.

It was noted that Mr. Griffiths (Cooperative Image Interest Group Convenor) is already working on a discussion paper for the Conference.

### **CONSTITUTIONAL CONVENTION**

It was the opinion that the Cooperative Council would not have a say.

### **PLUNKETT FOUNDATION**

Discussed.

It was agreed that the Council would decline the invitation to be a member of the Plunkett Foundation. Individual Cooperative Federations may become members at their individual expense.

CARRIED

## NATIONAL AND INTERNATIONAL FORUMS

Mr. Gill explained that there are inquiries going on and some of these impact on the cooperative sector. Mr. Gill would like to establish whether we are interested in responding to inquiries and the procedure on how and when to approach them. Mr. Kinnersley responded that NSW would not be doing anything about this.

Mr. Gill wanted Austrade to be more cooperative friendly. Mr. Gill said that Victorian Federation would be putting in a submission, Mr. Howard asked that the draft be sent to all Federations to give some information back. Mr. Gill agreed that he would.

Mr. Howard said it all comes back to member education to make the cooperative more attractive and more enjoyable being positive and selling the benefit of the Cooperative.

Mr. Kinnersley said that AusIndustry has supplied a lot of money to Cooperatives in the past.

## GENERAL BUSINESS

Mr. Gill said that Victoria has bought 60 books on new generation cooperatives and they were for sale at \$24 each.

## TAXATION

Discussion centered on taxation. Mr. Gill suggested if needed to contact Mr. Ray Reegan who is a supporter and knows about cooperatives.

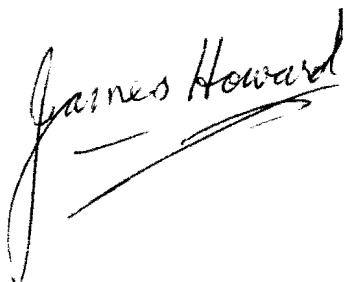
Mr. Kinnersley said with all the changes in the legislation, in his opinion the change in the accounting standards will get the biggest reaction.

## NATIONAL CONFERENCE (CONTINUED)

Mr. Kinnersley asked for the Draft Programme for his board meeting (last week of February). Mr. Howard queried whether he could get good speakers. It was agreed that Mr. John Booth try and obtain Mr. Darryl Williams as a speaker. Mr. Howard asked again for responses and to fax him ideas that are going to attract the different cooperatives to Canberra.

Mr. Howard said that WA Ag are looking at the fact that the Shire Council will be involved as their Community Development. Mr. Howard noted that he had a call from a lady in Victoria who was very critical of the consultant to WA Ag.

There being no further business, the Chairman declared the meeting closed.

A handwritten signature in dark ink, reading "James Howard". The signature is written in a cursive style with a long, sweeping underline that extends to the left.